

For Release: Tuesday, October 18, 2016

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Incorrect prices for prescription drugs were used for the CPI-U and CPI-W indexes from May through August 2016 in a number of areas. Several indexes were affected, including the all items and medical care indexes. A list of the series affected can be found at (www.bls.gov/bls/errata/cpi-price-corrections-10182016.htm), and the corrected data are available in the CPI database (www.bls.gov/cpi/data.htm).

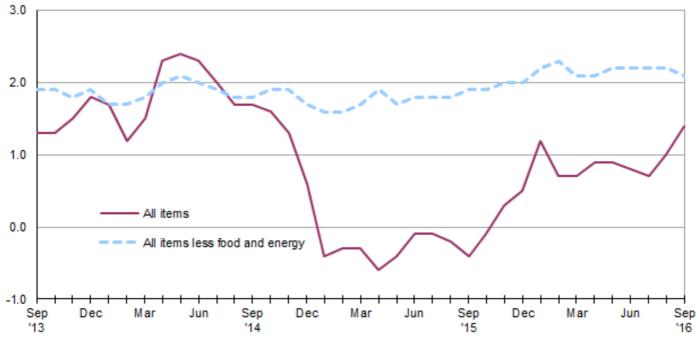
Consumer Price Index, South Region – September 2016 Prices up 0.2 percent over the month and 1.4 percent over the year

TThe Consumer Price Index for All Urban Consumers (CPI-U) for the South edged up 0.2 percent in September, the U.S. Bureau of Labor Statistics reported today. The energy index advanced 1.7 percent since August. The all items less food and energy and the food indexes each inched up 0.1 percent over the month. (Data in this report are not seasonally adjusted. Accordingly, month-to-month changes may reflect the impact of seasonal influences.)

Over the last 12 months, the all items CPI-U rose 1.4 percent. The all items less food and energy index increased 2.1 percent over the year reflecting price increases for several categories, most notably shelter and medical care. (See <u>chart 1</u>.)

Chart 1. Over-the-year percent change in CPI-U, South region, September 2013-September 2016

Percent change



Food

Prices for food inched up 0.1 percent in September. Prices for food away from home and for food at home each inched up 0.1 percent over the month.

The food index declined 0.4 percent over the year, reflecting a 2.1 percent decline in the food at home index. The food away from home index was up 1.9 percent from September 2015 to September 2016.

Energy

The energy index advanced 1.7 percent in September, led by a 3.1 percent increase in motor fuel prices. The electricity and the utility (piped) gas service indexes also advanced over the month, up 0.5 and 0.8 percent, respectively.

From September 2015 to September 2016, energy prices decreased 2.0 percent, reflecting price declines for motor fuel (-2.6 percent) and electricity (-2.0 percent). Utility (piped) gas service prices were up 3.8 percent over the year.

All items less food and energy

The all items less food and energy index inched up 0.1 percent in September. Price increases for apparel (2.9 percent) and shelter (0.2 percent) were largely offset by a price decline for recreation (-1.0 percent).

Since September 2015, the all items less food and energy index advanced 2.1 percent, led by increases in several indexes, most notably shelter (2.8 percent) and medical care (5.3 percent).

Table A. South region CPI-U 1-month and 12-month percent changes, all items index, not seasonally adjusted

	2012		2013		2014		2015		2016	
Month	1-month	12-month								
January	0.5	3.2	0.4	1.6	0.3	1.7	-0.7	-0.4	0.0	1.2
February	0.6	3.3	0.9	1.8	0.4	1.2	0.5	-0.3	0.1	0.7
March	0.7	2.8	0.3	1.5	0.6	1.5	0.6	-0.3	0.6	0.7
April	0.4	2.5	-0.2	0.9	0.5	2.3	0.3	-0.6	0.4	0.9
May	-0.4	1.6	0.0	1.3	0.2	2.4	0.4	-0.4	0.4	0.9
June	-0.2	1.7	0.4	1.9	0.2	2.3	0.5	-0.1	0.4	0.8
July	-0.2	1.4	0.2	2.2	-0.1	2.0	-0.1	-0.1	-0.2	0.7
August	0.6	1.6	0.1	1.7	-0.2	1.7	-0.2	-0.2	0.1	1.0
September	0.5	2.1	0.0	1.3	0.1	1.7	-0.2	-0.4	0.2	1.4
October	-0.2	2.1	-0.2	1.3	-0.3	1.6	0.0	-0.1		
November	-0.5	1.6	-0.3	1.5	-0.6	1.3	-0.2	0.3		
December	-0.1	1.7	0.1	1.8	-0.6	0.6	-0.4	0.5		

The Consumer Price Index for October 2016 is scheduled to be released on Thursday, November 17, 2016.

Technical Note

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 89 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 28 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 87 urban areas across the country from about 6,000 housing units and approximately 24,000 retail establishments—department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details see the CPI home page on the Internet at www.bls.gov/cpi and the BLS Handbook of Methods, Chapter 17, The Consumer Price Index, available on the Internet at http://www.bls.gov/opub/hom/pdf/homch17.pdf.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. **NOTE:Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.**

The **South region** is comprised of Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

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Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods South (1982-84=100 unless otherwise noted)

				Percent change from-			
Item and Group	Jul. 2016	Aug. 2016	Sep. 2016	Sep. 2015	Jul. 2016	Aug. 2016	
Expenditure category							
All Items	^(R) 233.292	^(R) 233.561	234.069	1.4	^(R) 0.3	^(R) 0.2	
All items (December 1977=100)	^(R) 378.432	^(R) 378.869	379.692	-	-		
Food and beverages	245.569	245.933	246.124	-0.3	0.2	0.1	
Food	246.816	247.244	247.447	-0.4	0.3	0.	
Food at home	236.861	236.995	237.115	-2.1	0.1	0.	
Food away from home	264.492	265.365	265.693	1.9	0.5	0.	
Alcoholic beverages	227.781	227.167	227.177	1.1	-0.3	0.0	
Housing	226.738	227.181	227.706	2.0	0.4	0.2	
Shelter	258.147	258.699	259.223	2.8	0.4	0.2	
Rent of primary residence (1)	266.237	267.107	267.808	3.1	0.6	0.3	
Owners' equiv. rent of residences (1) (2)	259.773	260.583	261.457	2.7	0.6	0.3	
Owners' equiv. rent of primary residence (1) (2)	259.762	260.572	261.447	2.7	0.6	0.3	
Fuels and utilities	234.047	234.622	235.682	-0.3	0.7	0.5	
Household energy	191.331	191.542	192.583	-1.4	0.7	0.5	
Energy services (1)	191.968	192.289	193.282	-1.3	0.7	0.5	
Electricity ⁽¹⁾	192.323	192.398	193.321	-2.0	0.5	0.5	
Utility (piped) gas service (1)	173.645	175.598	176.981	3.8	1.9	0.0	
Household furnishings and operations	121.494	121.468	121.655	0.0	0.1	0.2	
Apparel	132.727	131.921	135.785	-0.4	2.3	2.9	
• •	196.101	194.845	195.556	0.4	-0.3	0.4	
Transportation			I .	I			
Private transportation(3)	193.899	192.984	193.812	0.5	0.0	0.4	
New and used motor vehicles (3)	103.238	103.168	102.438	-0.7	-0.8	-0.7	
New vehicles.	152.600	152.844	152.553	-0.2	0.0	-0.2	
New cars and trucks (3) (4)	103.837	104.035	103.834	-0.2	0.0	-0.2	
New cars ⁽⁴⁾	152.591	152.825	152.288	-0.8	-0.2	-0.4	
Used cars and trucks	145.811	145.339	143.055	-3.5	-1.9	-1.6	
Motor fuel	185.421	181.044	186.719	-2.6	0.7	3.	
Gasoline (all types)	184.548	180.147	185.815	-2.5	0.7	3.	
Unleaded regular (4)	179.823	175.370	181.138	-2.7	0.7	3.3	
Unleaded midgrade (4) (5)	204.883	200.720	205.793	-1.6	0.4	2.5	
Unleaded premium (4)	205.078	201.483	205.730	-1.1	0.3	2.	
Medical care	^(R) 441.004	^(R) 448.279	449.332	5.3	^(R) 1.9	^(R) 0.2	
Medical care commodities	^(R) 353.014	^(R) 363.459	365.160	5.5	^(R) 3.4	(R) 0.5	
Medical care services	^(R) 470.682	^(R) 476.586	477.364	5.2	^(R) 1.4	^(R) 0.2	
Professional services	366.261	366.437	367.080	2.6	0.2	0.2	
Recreation (3)	117.984	117.345	116.218	0.3	-1.5	-1.0	
Education and communication (3)	136.731	137.224	136.917	0.1	0.1	-0.2	
Other goods and services	415.302	415.343	416.491	1.9	0.3	0.3	
Commodity and service group							
All Items	^(R) 233.292	^(R) 233.561	234.069	1.4	^(R) 0.3	^(R) 0.2	
Commodities	^(R) 179.674	^(R) 179.538	180.284	-0.7	^(R) 0.3	(R) 0.4	
Commodities less food and beverages	^(R) 148.471	^(R) 148.138	149.086	-1.0	(R) 0.4	(R) 0.6	
Nondurables less food and beverages	^(R) 188.954	^(R) 188.364	191.404	0.0	(R) 1.3	(R) 1.6	
Nondurables less food, beverages, and apparel	^(R) 224.100	(R) 223.612	226.285	0.1	(R) 1.0	(R) 1.2	
Durables	109.986	109.861	109.229	-2.0	-0.7	-0.6	
Services.	(R) 287.263	(R) 287.926	288.208	2.7	(R) 0.3	(R) 0.	
Rent of shelter ⁽²⁾	264.924	265.498	266.051	2.8	0.4	0.2	
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Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods South (1982-84=100 unless otherwise noted) - Continued

		Indexes					
				Percent change from-			
Item and Group	Jul. 2016	Aug. 2016	Sep. 2016	Sep. 2015	Jul. 2016	Aug. 2016	
Other services.	339.955	340.084	338.969	1.5	-0.3	-0.3	
Special aggregate indexes							
All items less medical care	221.907	221.849	222.327	1.0	0.2	0.2	
All items less food	^(R) 230.980	^(R) 231.224	231.778	1.7	^(R) 0.3	^(R) 0.2	
All items less shelter	^(R) 224.671	^(R) 224.826	225.330	0.7	^(R) 0.3	^(R) 0.2	
Commodities less food	^(R) 150.915	^(R) 150.575	151.503	-0.9	^(R) 0.4	^(R) 0.6	
Nondurables	^(R) 215.797	^(R) 215.664	217.340	-0.2	^(R) 0.7	(R) 0.8	
Nondurables less food	^(R) 190.924	^(R) 190.333	193.211	0.1	^(R) 1.2	^(R) 1.5	
Nondurables less food and apparel	^(R) 223.318	^(R) 222.822	225.268	0.2	^(R) 0.9	^(R) 1.1	
Services less rent of shelter (2)	^(R) 324.353	^(R) 325.150	325.096	2.6	^(R) 0.2	^(R) 0.0	
Services less medical care services	270.664	270.966	271.211	2.4	0.2	0.1	
Energy	184.712	182.890	185.958	-2.0	0.7	1.7	
All items less energy	^(R) 239.491	^(R) 239.992	240.219	1.7	^(R) 0.3	^(R) 0.1	
All items less food and energy	^(R) 238.614	^(R) 239.128	239.360	2.1	^(R) 0.3	^(R) 0.1	
Commodities less food and energy commodities	^(R) 147.481	^(R) 147.713	147.984	-0.5	^(R) 0.3	^(R) 0.2	
Energy commodities	188.721	184.244	189.972	-2.6	0.7	3.1	
Services less energy services	^(R) 297.250	^(R) 297.949	298.150	3.0	^(R) 0.3	^(R) 0.1	

⁽R) Revised

Regions defined as the four Census regions. South includes Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

NOTE: Index applies to a month as a whole, not to any specific date. Data not seasonally adjusted.

⁽¹⁾ This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

⁽²⁾ Index is on a December 1982=100 base.

⁽³⁾ Indexes on a December 1997=100 base.

⁽⁴⁾ Special index based on a substantially smaller sample.

⁽⁵⁾ Indexes on a December 1993=100 base.

⁻ Data not available.